

# Memo

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**To:** Mayor and Council  
**From:** Shirley A. Freeman *SAF*  
**Date:** April 27, 2010  
**Subject:** Fiscal Year 2010 Budget Amendment – First Reading

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Town of Bluffton  
20 Bridge Street  
PO Box 386  
Bluffton, SC 29910  
843.706.4500  
843.757.6720 (fax)

Recommend approval of the attached Fiscal Year 2010 Budget Ordinance amending the Debt Service Fund to cover the costs of reinvesting \$800,000 of our Debt Service Reserve for TIF Series 2005 and 2006 Bonds. This is a one-time increase of \$13,770 to the Debt Service Fund's budget.

## **Background Summary**

In working with our Financial Advisor, Brian Nurick of Ross, Sinclaire & Associates, we are reinvesting our Debt Service Reserve for the TIF Series 2005 and 2006 Bonds doubling the interest rate we currently receive. The costs involved with this reinvestment will be paid from Debt Service Interest Revenue with the expenditures captured under "Other Charges."

This investment is for the term of both TIF Bonds and is invested in Beaufort County's latest bond issue earning 4 ½% interest. This investment is allowable under our investment policies in accordance with state law.

**AN ORDINANCE OF THE TOWN OF BLUFFTON  
ORDINANCE NO. 2010-  
FISCAL YEAR 2010 BUDGET**

**TO AMEND THE BUDGET FOR THE TOWN OF BLUFFTON, SOUTH CAROLINA, FOR THE FISCAL YEAR ENDING JUNE 30, 2010; TO PROVIDE FOR THE EXPENDITURES OF CERTAIN FUNDS; AND TO ALLOCATE THE SOURCES OF REVENUE FOR THE SAID FUNDS.**

**WHEREAS**, Section 5-7-260 of the Code of Laws of South Carolina requires that a municipal council act by ordinance to adopt a budget and levy taxes, pursuant to public notice; and

**WHEREAS**, the Town Council did adopt the budget on June 9, 2009; and

**WHEREAS**, pursuant to Section 4 of said budget, the Town Council is desirous of amending the budget to revise the Debt Service Fund appropriations for Fiscal Year 2010.

**NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF BLUFFTON, SOUTH CAROLINA; AND IT IS ORDAINED BY THE AUTHORITY OF THE SAID TOWN COUNCIL:**

**SECTION 1. AMENDMENT**

The adopted 2010 Fiscal Year Budget is amended to revise the Debt Service Fund as incorporated for reference in Attachments D attached hereto. Previous Attachments A, B, and C remain unchanged.

The effect of this amendment will increase the Debt Service Fund budget from \$1,110,330 to \$1,124,100.

**SECTION 2. SEVERABILITY**

If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

### **SECTION 3. EFFECTIVE DATE**

This Ordinance shall be effective upon its enactment by the Town Council for the Town of Bluffton.

**PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF BLUFFTON ON THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2010.**

\_\_\_\_\_  
Lisa Sulka, Mayor

ATTEST:

\_\_\_\_\_  
Sandra Lunceford, Town Clerk

First Reading: May 11, 2010

Second Reading: \_\_\_\_\_



TOWN OF BLUFFTON  
DEBT SERVICE FUND  
FOR THE YEAR ENDING JUNE 30, 2010

Attachment D  
Dated: May 11, 2010

Description	FY 2010 Current Budget	FY 2010 Amended Budget
<b>Revenues</b>		
TIF District Property Tax	\$ 872,030	\$ 880,000
Investment Income	20,000	30,500
Municipal Improvement District Fees	151,500	148,500
Debt Service Fund Balance Transfer-TIF	45,000	43,300
Transfer from General Fund	21,800	21,800
<b>Total Revenues</b>	<b>\$ 1,110,330</b>	<b>\$ 1,124,100</b>
<b>Expenditures</b>		
Series 2005 & 2006 TIF Bonds	\$ 1,088,530	\$ 1,088,530
Series 2002 General Obligation Bond-Roof	21,800	21,800
Other Charges		\$ 13,770
<b>Total Expenditures</b>	<b>\$ 1,110,330</b>	<b>\$ 1,124,100</b>